



SG Capital Research

Global Market Insights

Research Note – Currency Analysis (B) – STRATEGY & PROP ANALYSIS (SP)

MAEG- CZ-PEC-CURRENCY ANALYSIS- SG 2012 # MAY_16

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Currency Analysis (B) –(SP)

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- **GOLD**
- **DXY**
- **EUR/USD**
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- **JPY/USD**
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• 1- Executive Summary

• MARKET Overview – (**Strategy Update**)

USD

USD is ruling the world as expected . The World is focused on buying USD's & US Bonds past 2 weeks. We have been "Long" USD (since 72) & TLT (since 111) and remain so in the profitable position , both these assets for quite some time in anticipation of this move. The move in USD higher has send shivers in the Market as expected.

DXY is completing its ABC up as expected creating another Bullish top at 82 . Last leg up was initiated at 78 key reversal . We shall monitor the quality of the pull back to decide the size of retracement. These Pullbacks have been moves within the Larger move higher. We are Bull on USD since 72 last September and remain so. Price action suggests after the pullback , Bullish Top of 84 should be tested if not broken. .

Directional correlation between USD & AOM (All one Market ") are very much intact. Therefore USD continues to be the Key part of our Currency Analysis . This move has effected other markets in more volatile manner. Charts on USD had several Long term pattern Bullish setup

(More of it in our B # Currency Report below for its price path).

BONDS(TLT)

We are at POM 13 & LONG since 111 . Currently trading 121 . This has been very profitable position and has been following our price path closely. This should Finish its ABC up soon and showing Short term topping with Bearish divergence (Refer Price path in A# 2 B – US Broader IDX Report) . TLT pull back should initiate a counter trend bounce in SPX

SPX

We were NET SHORT (POM 15) from CZ 1415-1375 – Top zone resulting in initial decline to CZ 1345-1355 triggered @ PEC-D -1345 completing first leg down of 4 % - 5% - This Profitable Position.

We Closed / Reduced the NET SHORT depending Portfolio Objective. (Broader weaker IDX have declined more than 4% - 5%)

PLAN A - We now remain at POM 14 - Fully Hedge / Raised Cash level. If the decline continues to go to our next level down to CZ 1310-1290, sooner (immediately) rather than later(without a bounce), then at Target price CZ 1310- 1290 – we shall cut back on our Fully hedge position from past and may go NET LONG to Trigger POM 13), if indicators line up . We shall wait and see. This is Heads up . We do not see POM 12 For fully Long yet.

PLAN B - Conversely if Market begins its rally from here (1330 this point on) without going down to CZ 1310-1290 . We shall look for to re instate NET SHORT opportunity once again at higher prices in POM 15 area where previous failure happened . We shall see and let market tell us next if Volume pick up on bounce . .

MSCI – World Ex – US (EFA) -

This is great proxy for world Markets . We shall summarize the health world market with reference to POM 's via this IDX.

Since POM 15 – NET SHORT - CZ 56-55). Trigger , EFA has reached our CZ 50-51 on this decline of 10% This has been great Profitable Position. We Closed / Reduced the NET SHORT depending Portfolio Objective. Refer to our latest A # 2 G – GLOBAL IDX - MS for details on price path)

BSE – (Mumbai) - Special Update

As Referred in our latest A # 2 G – GLOBAL IDX MS . Analysis based on SPX – Correlation , CZ and PEC-D Analysis

Our POM 15 – Trigger in SPX Triggered \$ BSE @ 18200 , that decline had a Target of 16900 - PEC-D within CZ 17100-16900. This Target was met with heavy bottom which we had suggested would break downside

NEXT - The Heavy bottom break of CZ had downside target of PEC- 15850 within CZ 16000- 15800 , would act like magnet (Refer to our latest A # 2 G – MS)

THIS AM (IST) - We are down 300 points in this Market . BSE is slightly above 16000 (upper end of our projected CZ) , It is coming down with force . We rather let it step into the CZ 16000- 15800 and see how it reacts to Judge if the Bottom is heavy . Also PEC- D 15850 completion gives better assessment of the next move.

This is decline of 2200 points from POM 15 , a decline of 12% , little too volatile for my taste.

Any bounces without completion of Projected price targets will be sold on rally (refer price path in A # 2G Report of last week) . When SPX tests its CZ 1310- 1290, BSE should set up better risk reward on correlation basis.

• CURRENCY

GOLD

GOLD finally entered into CZ 1580-1540 (which we have been awaiting for very long time) along with perfectly completed PEC-D @ 1580 , the projection that was created from 1775 resulting in saving the damage of 200 points on decline).

Our “Scale into” the CZ price was more concentrated closer to lower end of CZ 1540 .(it for Longer term position If cross verified by other Methodologies) .

GOLD appears to be testing in Bullish Manner with PQV Validation . It should have a back / forth move with final gasp downside and then needs a reversal for final confirm. After coming down with such tremendous energy it needs repair work.

The Final gasp may or may not happen till USD finishes its ABC up to 82. . Till such time we do not think reversal would happen. Once the process is complete expect pull back in USD & rally in GOLD simultaneously. Since the Inter market Analysis is in harmony it gives a better picture.

WILD CARD - Blowing the bottom of 1500 in meaningful way requires some energy. If USD blows up due to European crises i.e crash in EURO , GOLD could go down 50 but that is a different unpredictable story beyond what we do . Price of 1550 is far better price then price of 1775-1875 But Risk needs to be managed within the Portfolio Objectives. (More in our todays currency Report)

BACKDROP –

GOLD Price path has been following exact since our POM 14 re - Trigger at CZ - 1775-1750 to CZ -1650-1620 (to cover hedges **On 3/06 – Alert ,**) & then to next level CZ 1580-1540 to go LONG after decline of 200 points from 1775

Currently GOLD remains, at Bull Market POM Rating - POM 14 which is Partially Hedged Long Positions Triggered within CZ area of POM 14 . Failure in this Zone provides best Risk Management opportunities during the ST GOLD declines within larger LT up move.

GDX -

Similar story in GDX waited patiently since CZ 65-64 (with both hands in the pocket) Till CZ 43-41 – PEC-D 43, Saving of 40% decline . Such declines are a lot to make up in profit even in a Bull Market .

As expected and articulated in last week's Special Report A # 3 - Friday , Warning that the GOLD's final move into CZ 1540 lower end should have GDX pull below the CZ 43-41 in sympathy. We wait scaling in accordingly into it on the false break . (We witnessed the same price destruction GDX last night)

Last night GDX had very good look of Liquidation / Margin calls on Funds that have double and tripping down GG, RAND ABX in this decline .

EURO -

Euro's leg down came as expected (pretty nastily) past 2weeks . It is down 10 weeks in row . In this trend down EURO put in highs at 1. 33 (EXACT) as expected . It is now very oversold . The long term euro is down. The near term we should have a short covering bounce coming very soon from 127

Ultimately, the downside trend will carry the euro much lower. Near term, news will be the biggest driver of this failing currency.

GBP -

GBP leg down came as expected . In this trend down it put in highs at 1. 62(EXACT) as expected .

GBP is acting slightly stronger than EURO but should follow the price path of EURO in sympathy but NOT – Tick to Tick .

YEN -

YEN should move higher to test the Bullish Top to 82 , the pull backs needs to be bought.

Our recent pull back target was met and bounced but its re test of lows went slightly lower . This could pull back to 79.25 – 79.50 and then head higher (refer chart) .

YEN has a major trend change . Last year we had this as Trade of the year but it went sideways CZ 75-77 for 6 months & now it is working beautifully .

AUD -

AUD leg down came as expected . In this trend down it put in highs at 1. 07 EXACT) as expected

Now approaching pull back Target 1.00 to finish the move. _AUD is clearly tied up with China , commodity & resources.

NOTES

- For more Justification for our current Market Calls and Price Path Analysis , Refer the “ Detail Chart Section “ within this Report for **CZ & PEC –D for Risk Management Rebalancing areas. Each individual currency’s CZ to CZ moves within Main Price Path Analysis) are - stated below in our Section below “ Trading and Investment Conclusions for Details” with stops around CZ- Confluence Zone for risk management**
- CZ’s indicated in Red and Green boxes are the Previously projected Turing points
- Core position remains at Main CZ, The Recycling / Rebalancing position should have STOPS above / below the Short term CZ for Risk Management based on Portfolio Objectives.

POM Signals , Trading Conclusions - Price / CZ Projection Summary

B # Currency Report	CURRENT STATUS	CZ - Trigger Confluence Zone	Target reached	Comments
May 16-2012				
GOLD				
SHORT-TERM - POM 14 (1725)	BEARISH	1775-1750	1580-1540	Decline from 1775 to 1580 met
MID-TERM - POM 13 (1575-1550)	BULLISH	1580-1540	TBA	Nimble into longs (1580-1540)
LONG-TERM POM 12 (1250-1225)	BULLISH	1250-1225	1900 -2000	Consolidation in larger range 1450-1825 Building up floor to test the Highs
USD				
SHORT-TERM	NEUTRAL	78	82-81	CZ Target reached / awaiting pull back
MID-TERM	BULLISH	71-73	89-88	1st leg up Target met
EURO / USD				
SHORT-TERM	NEUTRAL	1.33	1.28 -1.27	CZ Target reached / awaiting for bounce
MID-TERM	BEARISH	1.46-1.45	1.18-1.20	2nd leg down 1.26-1.27 Target met
BPS / USD				
SHORT-TERM	NEUTRAL	1.57	1.63	CZ Target reached / awaiting for bounce
MID-TERM	BEARISH	1.63-1.64	1.52-1.53	2nd leg down 1.52-1.53 Target met
AUD / USD				
SHORT-TERM	NEUTRAL	1.07-1.07	1.01-1.00	CZ Target reached / awaiting for bounce
MID-TERM	BEARISH	1.09-1.08	0.97	2nd leg down 0.97-0.98 Target met
USD / JPY				
SHORT-TERM - Oct 2011 - 75-76	BULLISH	79.5	84	CZ Target reached / awaiting for rally
MID-TERM - Oct 2011	BULLISH	75-76	TBA	
LEGEND				NOTE
POM 14	Partially Hedge Status	Bull Market Signals		For Detail Price Path Chart Analysis
POM 13	NET Long Status	Bull Market Signals		Indicators, Justification for our
POM 12	FULL Long Status	Bull Market Signals		Conclusions, refer to the full Report
Yellow color	Zone Triggered			for cross varification
Red Color	Zone exceeded			
NEUTRAL	Trading Range			POM's for GOLD only
TBA	To be advised			

Chart Analysis

- *YTD – GOLD, Currencies, EFA, SPX performance v/s USD - Chart Analysis*

GOLD – Chart Analysis

- *GOLD – MA, Trend & Oscillator Analysis*
- *GOLD - PEC –D Analysis*
- *GOLD - Poly- Trend Analysis*
- *GOLD – Pattern / CZ – Price & Volume Analysis*
- *GOLD - **EXTREAME Sentiment Analysis** (3rd Party Data)*

USD – Chart Analysis

- *USD (DXY) – MA, Trend & Oscillator Analysis*
- *USD - PEC –D Analysis*
- *USD - Poly- Trend Analysis*
- *USD - **EXTREAME Sentiment Analysis** (3rd Party Data)*
- *USD - **CORRELATION RATIO Analysis** – with SPX, GOLD*

EURO – Chart Analysis

- *EURO – MA, Trend & Oscillator Analysis*
- *EURO - PEC –D Analysis*
- *EURO - Poly- Trend Analysis*
- *EURO - **EXTREAME Sentiment Analysis** (3rd Party Data)*

BGP – Chart Analysis

- *BGP – MA, Trend & Oscillator Analysis*
- *BGP - PEC –D Analysis*
- *BGP - **EXTREAME Sentiment Analysis** (3rd Party Data)*

YEN – Chart Analysis

- *YEN – MA, Trend & Oscillator Analysis*
- *YEN - PEC –D Analysis*
- *YEN - **EXTREAME Sentiment Analysis** (3rd Party Data)*

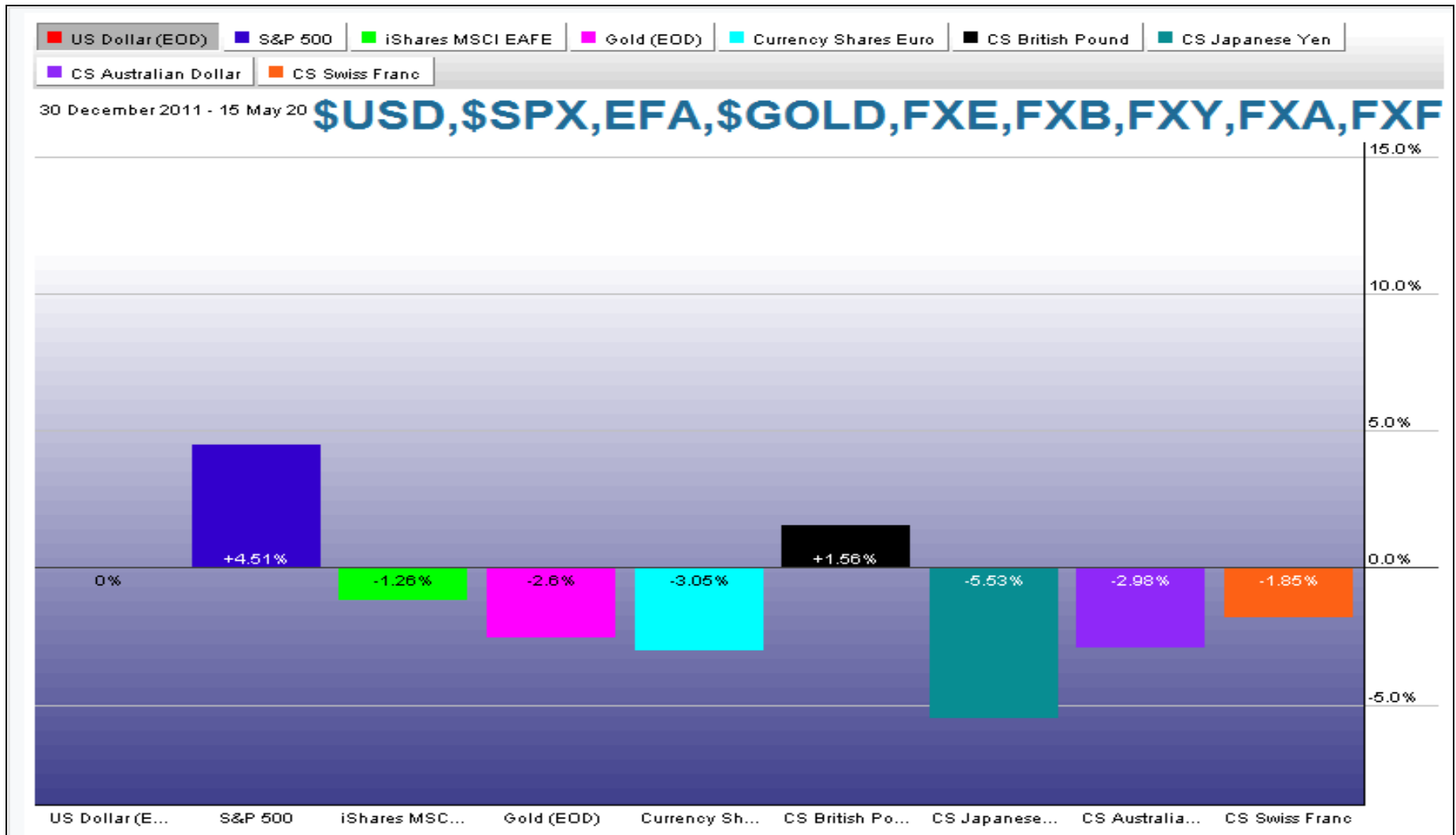
AUD – Chart Analysis

- *AUD – MA, Trend & Oscillator Analysis*
- *AUD - PEC –D Analysis*
- *AUD – Poly- Trend Analysis*
- *AUD - **EXTREAME Sentiment Analysis** (3rd Party Data)*

YTD - SPX, EFA, GOLD, Currency ETF's performance v/s USD

Weakest and strongest – For Hedging Global Portfolios

Since is beginning of the year 2012 , it is very critical to keep close eye on this chart for Strength / weakness pick up in these market . (Chart below is our Inter market Analysis Model with Ratio Relative performance v/s USD) .



GOLD - PEC -D Analysis -

By this Model - GOLD achieved PEC-D @ 1580. (yellow) - , In 3 various price contraction profile. (Notes within the charts)

Failure began with wide ranging price bar into PEC-D - 1775 - exact (POM 14). & nasty decline.



GOLD – CZ, Pattern Analysis

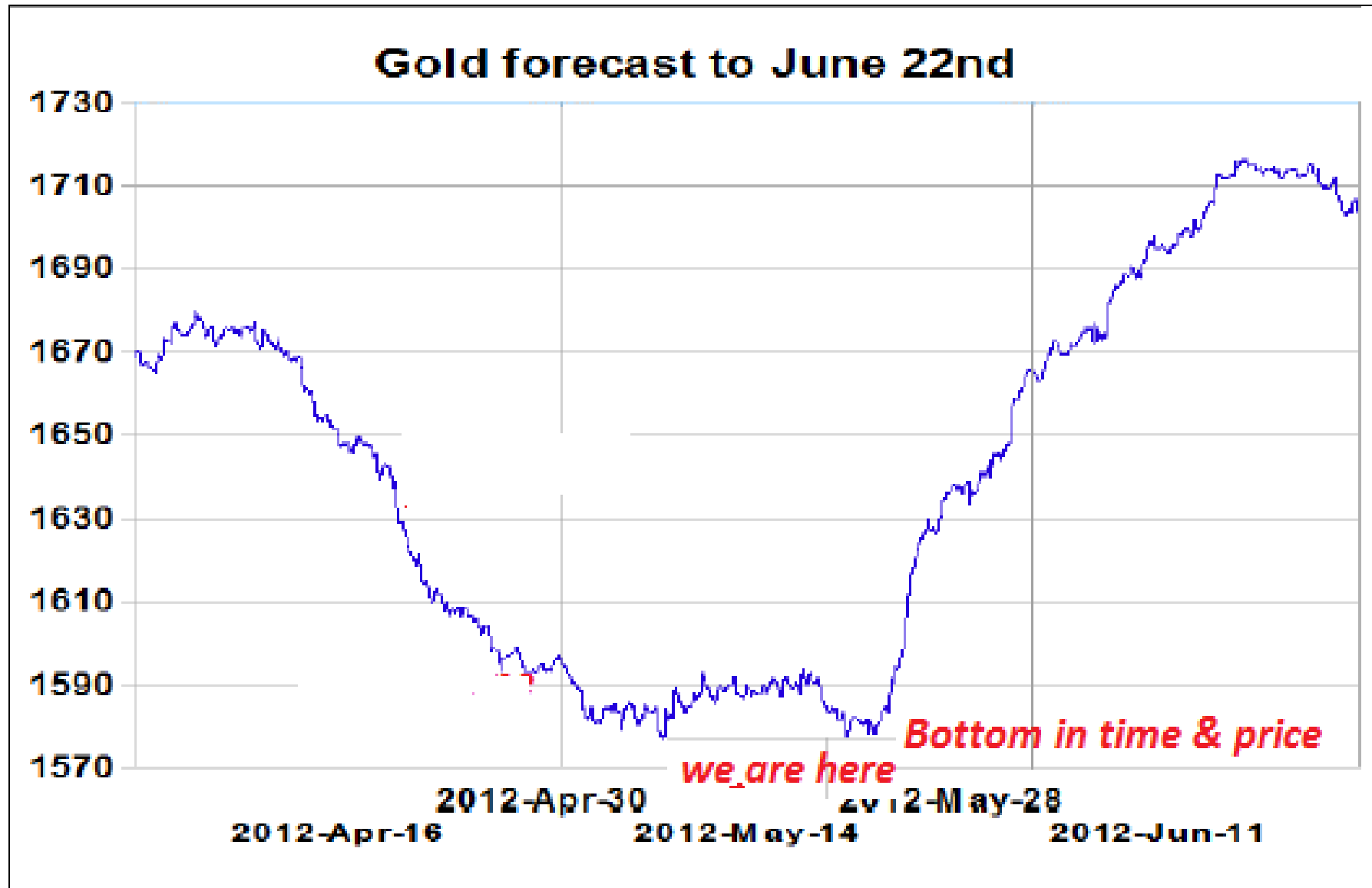
By this Method - Reached our Downside target CZ 1580-1540_PQV / VTO turning bullish. to provide best Risk Reward.

Earlier - POM 14 – CZ – proved its merit at red box CZ 1775 -1750 (red) Notes within the charts).



GOLD – Cycle Analysis

Cycle chart – Has same price path as PEC-D & CZ Price Path . Lows towards CZ 1570-1540



GOLD – RSI – LONG TERM Price Analysis

Notes within the charts).



- **EXTREAME Sentiment Analysis GOLD & Currencies**
- **(3rd Party Data)**

Courtesy : SENTIMENT TRADERS

GOLD

@ EXTREMES

- **SENTIMENTS - GOLD – PUBLIC OPINION**
- **SENTIMENTS - RYDEX CASH FLOW**
- **SENTIMENTS - GOLD – COT**

CURRENCIES

NONE @ EXTREMES

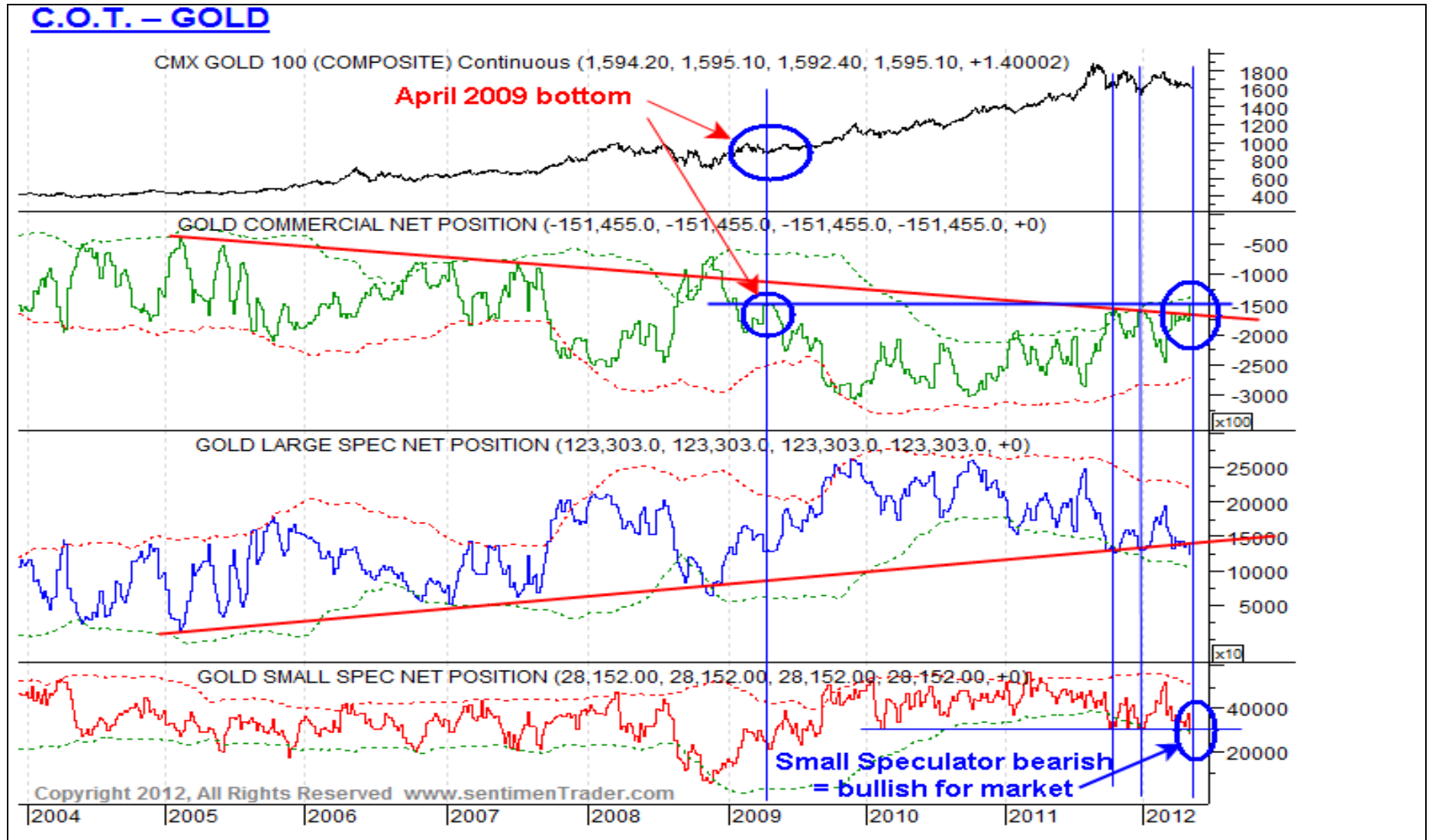
- **SENTIMENTS - USD, FXE, BGP, YEN, AUD,**

GOLD

@ **EXTREMES**

SENTIMENTS - GOLD - PUBLIC OPINION , SENTIMENTS - GOLD - COT

Notes within the charts).

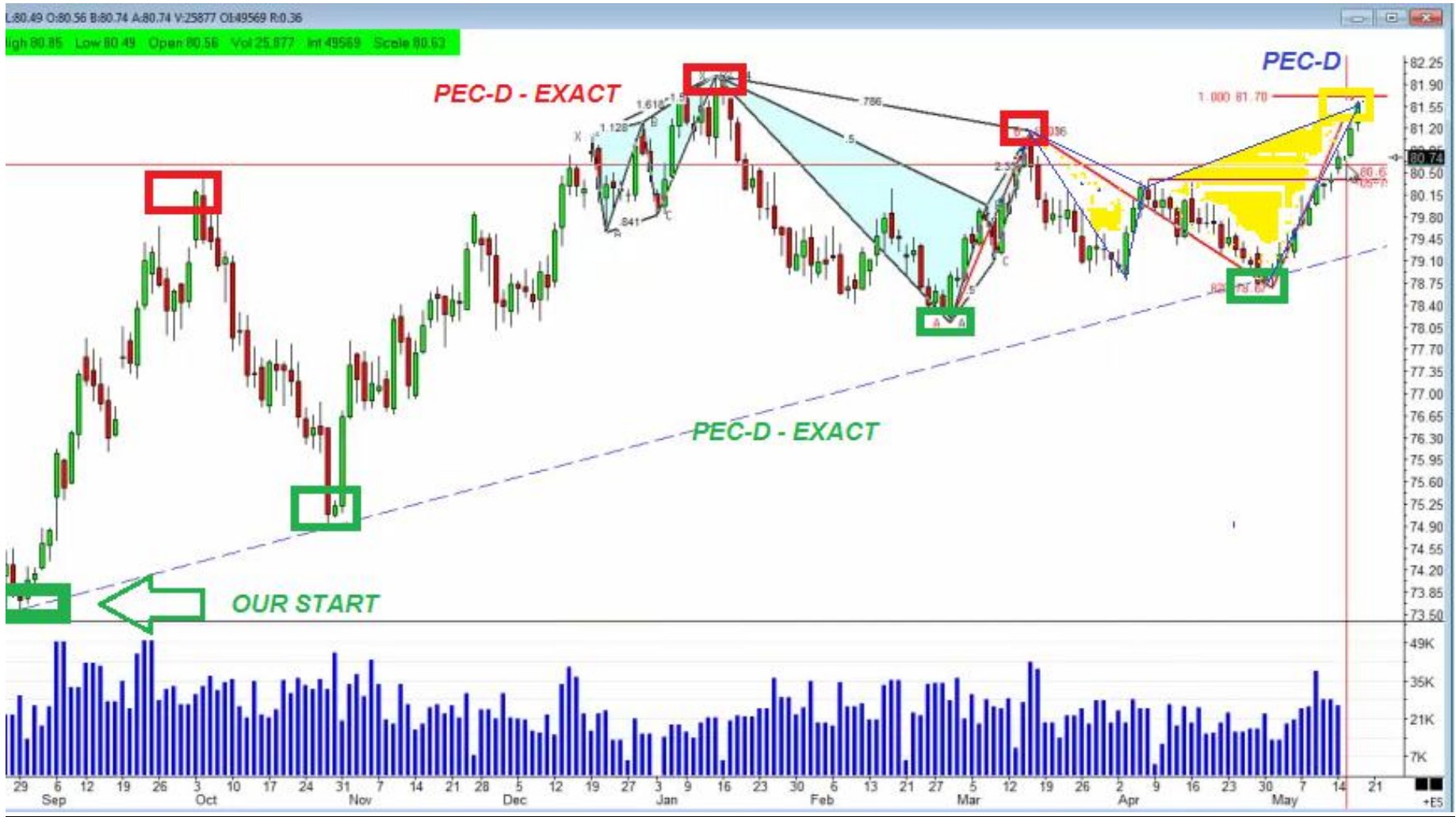


USD – PEC D – Analysis –

By this Method- . DXY rallied to 81.25 Bullish Top Exact as expected completing PEC-D that began from 78.25.
We will monitor the quality of pull back .

DXY began MAIN Trigger @ 72-73 (09/07/2011)

Weekly huge key reversal with Sign of Strength of Strength (SOS), Major bullish divergence on Oscillator that signals a bottom is solid on every rally.



- CORRELATION RATIO ANALYSIS

Inter market Analysis – USD v/s SPX

Inverse Correlation continues in Current Trend

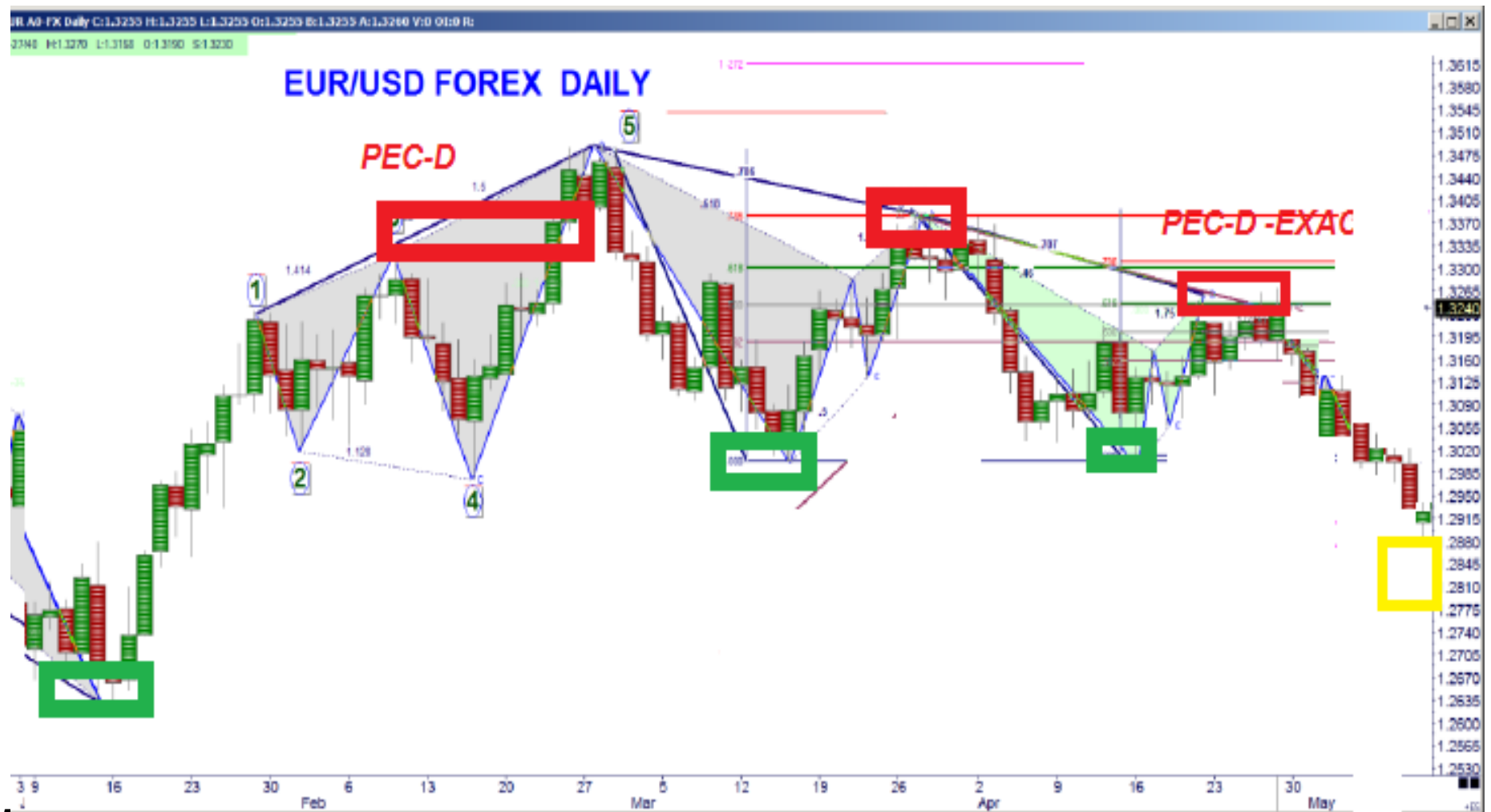
Inter market Analysis – USD v/s GOLD

Inverse Correlation continues in Current Trend

EURO / USD – PEC Analysis – SHORT TERM

By this method – EURO declined to 1.28 Exact as expected & exceeded to 1.27, It should complete PEC-D that began from 1.33. Now very oversold. We will monitor the quality of rally.

Mid term charts has had three lower highs for continued decline. Main PEC –D Trigger of 1.45. Stop above 1.49, for risks management.



EURO - with Pattern & Oscillator Analysis – LONG TERM

Projection via Poly Trend our target was at 1.24 , we are above those levels .

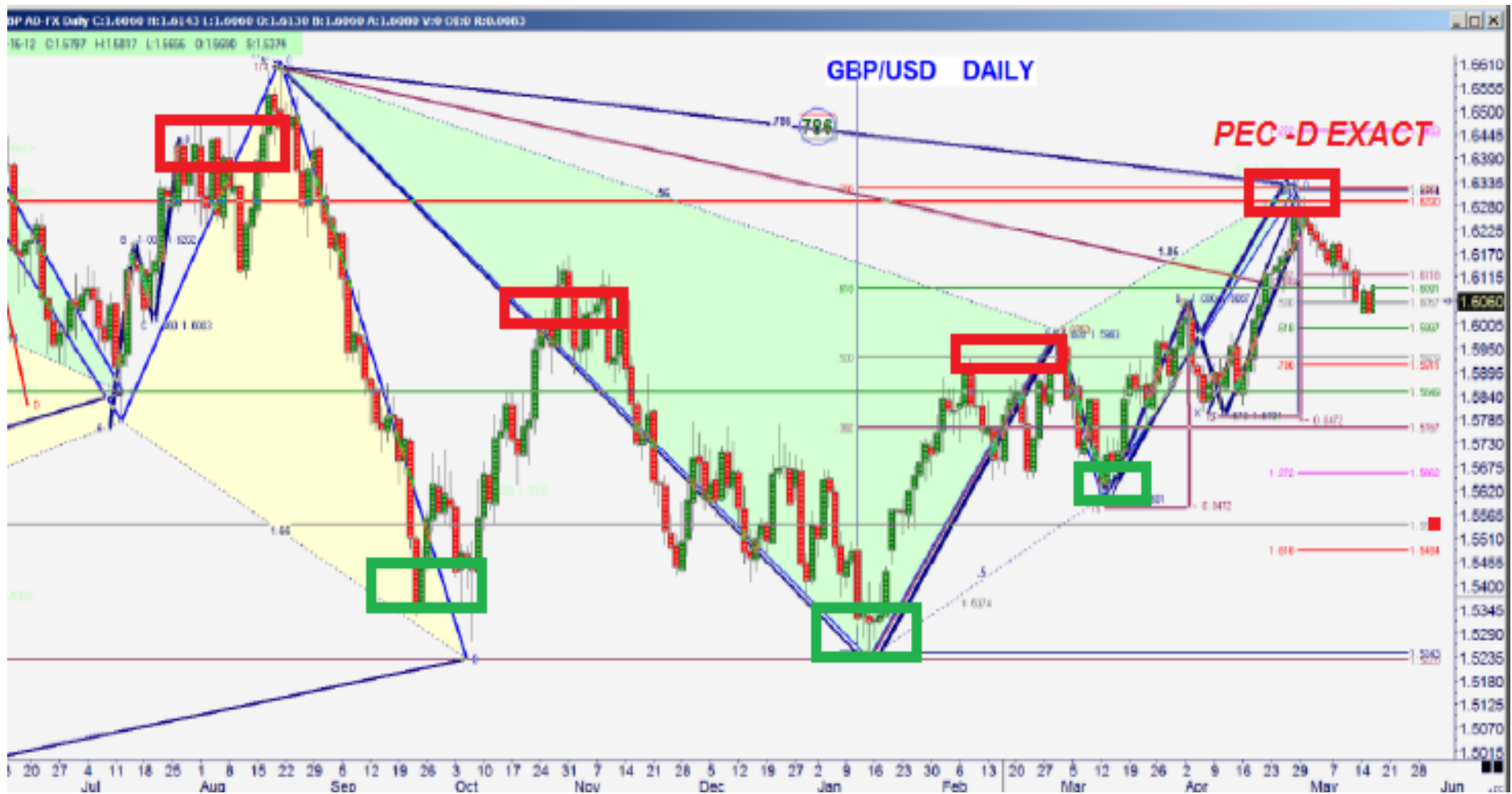
Main CZ 1.45 -1.46 - Mid term charts – has Long term Target of 1.20 -1.18.



GBP / USD – PEC Analysis -

By this method – GBP declined as expected It should complete PEC-D that began from 1.63 EXACT . We will monitor the quality of rally .

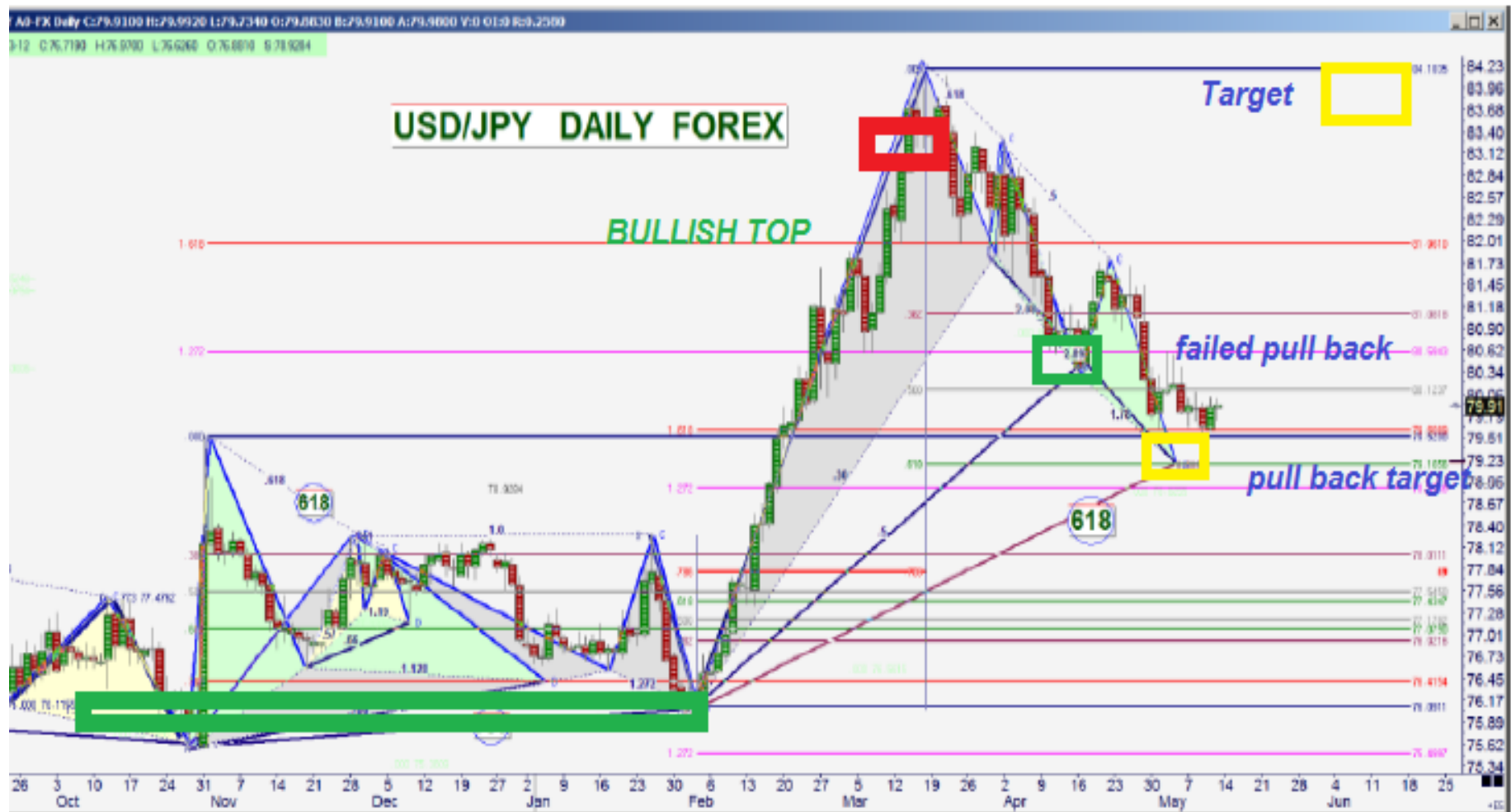
Mid term charts has had three lower highs for continued decline. Main PEC –D Trigger of 1.64 .Stop above 1.65, for risks management .



YEN / USD – PEC-D Analysis

Pull back towards 81-80 was met & bounced. On re test went to lower lows to 79.50 , This should complete PEC-D . All the pull back needs to be bought . The correction is very healthy after a nice BULLISH TOP . This is going much higher. Top of the trading range 80 is decisively broken. Once we can clear this high 84 , We believe that the acceleration will increase with vigor.

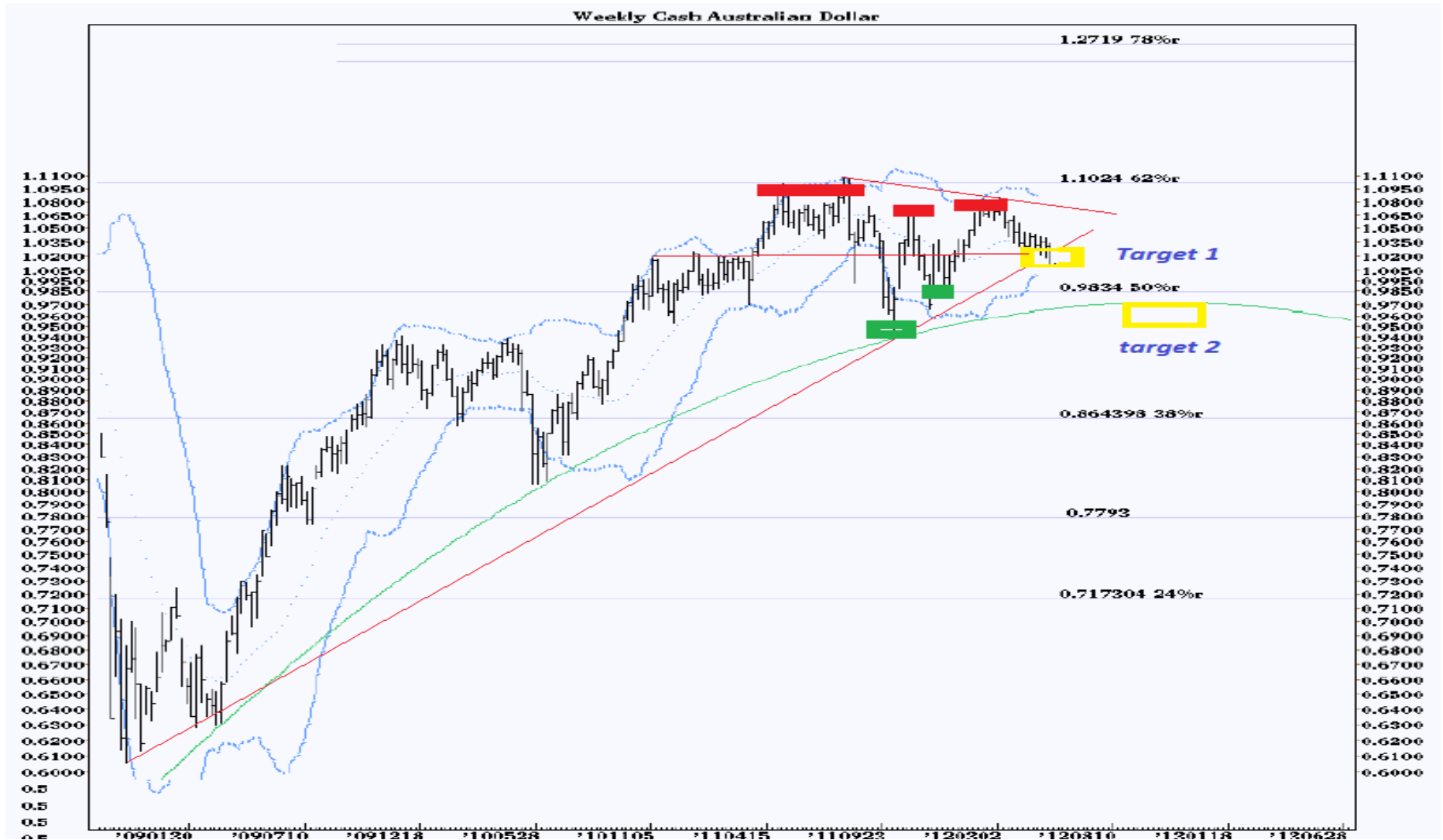
Main entry in OCT 2011, YEN / USD @ 76 Trigger good entry point (as indicated in Green) . The Yen took off after another successful test at 76



AUD/USD – Poly Trend & Osc Analysis

Our Pull back Target via Poly trend line for Retracement was towards the apex of Triangular Apex. 1.01 was met (yellow) .

Mid term – Price projection towards 97. AUD - 5/10 Trigger 1.09 (in red) , forming long term top. Stops above 1.11 for risks management.



AUD/USD - PEC -D Analysis

By this method – AUD declined to 1.01 Exact as expected & extended to 1.00 , It should complete PEC-D that began from 1.07. We will monitor the quality of rally .

Mid term charts . Main PEC -D Trigger of 1.09 .Stop above 1.11, for risks management .



Appendix Content

- **1. GOLD – POM Signals History for 2011**
- **2. Trading & Investment Conclusion History GOLD 2011**
- **3. Objectives & POM /CZ Guidelines**
- **4. Guidelines for Full Utilization of “ SP” Report with Limitations**
- **5. GOLD & Currencies – 52 Weeks Chart with Signal turns**
- **6. GOLD - POM – “ Price Oscillation Model “ Criteria**
- **7. PEC –D “ Pythagoras – Expansion & Contraction Criteria**
- **8. Definitions of Extreme Sentiment Indicators**

- - **2011** - - **GOLD** - **CLOSED FINAL** - POM Signals & Price Projections -
- Trading & Investment Concl - **Start point 1420 (1ST Jan) - 1560 (31 Dec)**

GOLD- 2011 -REAL TIME TURNS- POM & CZ



GOLD - YTD - Gains +150 Points ————— +10.0%

POM 12, 13 - Gains + 437 Points (4 Signals) ————— +30%

POM 14 to 13 - Partially Hedged & Risk Management saving +550 points (9 Signals) — +35%

POM 15 - Net Short SLV + 10.5 gains (2 Signal) ————— +33%

- **GLD/ SLV - Trading & Investment Conclusion - – Updated**

- **GOLD – POM Signals & Price Projections**

- Start point GLD -1420 (1ST Jan) YTD – 1560 up 140 points
- **POM 15 - Net Short -- SLV (Total points gains SLV= +10.5 or 28%)**
 - **Alert** - POM 15 –, SLV– Triggered **Alert** Jan 1st @ 30 target 26 , 25TH Jan = (4 points) 12% gains
 - **Alert** - POM 15 –, SLV– Triggered **Alert** April 26th & 28TH @ 47.5 target 41 = (6.5 points) 16% gains
 - **None recommended** for GLD to “SHORT” in Bull market by this Model. (Exception for SLV)
- **POM 14 - Hedge Longs / Risk Management - (Total decline saved= + 560 = 36%)**
 - Recycle partial capital to Trade from Bullish CZ to POM 14 Re Run - CZ whiles the bigger Trend kicks in
 - Proportion / Qty. of Hedges should be based on Portfolio’s objective and Risks Tolerance
- **Last Alert on 10/13- (OPEN POSITION) – 8th HEDGE - B # Report- POM 14 - CZ Trigger @ 1680-1740**
 - **8TH Hedge** - Closed @ 1550 (12/14 - **Alert**) from POM 14 Re run @ 1710 avg (10/30) = 160 points gain
 - **7TH Hedge** - Closed @ 1680 CZ (9/23 - **Alert**) from POM 14 Re run @ 1825 , 8/23 = 145 points gain
 - **6th Hedge** - Closed @ 1725 CZ (as per Target 1700 announced in Report 8/23 - **Alert**) from POM 14 Re run @ 1825 , 8/23 = 100 points gain
 - **5th Hedge** - Stopped out on 8/17 @ 1825 from POM 14 – Re run Trigger at 1780 = (-45) points loss
 - **4th Hedge** - Closed on 5/6 at POM 13 @1460 (GLD = 143) from POM 14 @ 1544 (150.48) = 84 points gain
 - **3rd Hedge** - Stopped out on 4/5 @ 1450) from POM 14 – Re run Trigger at 1425) = (-25) points loss
 - **2nd Hedge** - Closed on 3/16 at CZ (@ 1380) , from POM 14 – Re run Trigger at 1425) = 45 points gain
 - **1st Hedge** - closed on 1/25 at POM 13 (@ 1325), from POM 14 @ 1420 (since 1st Jan) = 95 points gain
- **POM 12,13 - Net Long – (Total point gains = + 437 = 25%)**
 - **Alert 9/26** – POM 13 @ entry 1603 (Trigger 1550) & Closed position (1/3) @ 1680 & (1/3) @ 1695 & 1740 (1/3) – POM 14- **Alert (10/13)** -Bearish CZ - Resulted in = 107 point gain
 - **Alert 01/25** – POM 13 @ 1320 & Closed position @ 1375-1395 @ Bearish CZ (03/09) Resulted in = 65 point gain
 - **Alert 5/6** - POM 13 @ 144-145 (1470) & Closed position @ 1596 – 1615 @ Bearish CZ .Resulted in = 135 point gain
 - **Alert – 7/20** - Parabolic Warning announced in C # Commodity @ 1628 to target 1760 = 130 points gain- Parabolic Apex pattern although we announced it in timely manner, such long plays is for special Type of specialized Trading Desks- Risk Management is Critical (Disclosure -We did not play upside parabola Real time)
 - POM 12 Calls – **None** - so far this year. (POM 12 for Full Fresh capital to go long)

- **Objective**

Focus is on the short term and Intermediate term turning points of the Currencies via Integrated Methodologies of POM's and PEC's overlay. It utilizes multiple input signal from PEC derived with ABCD Price projections, where D price point to be validated via Price Oscillation Model (POM) . POM's price & Quality volumes (PQV) , patterns conclusions is derived to overlay POM /PEC gives a Confluence Price Zone "around D Zone" (within +/- 1.5% variation). This is ACTIONABLE ZONE, on scaled in entry with stops if required on other side of confluence) with margin for volatility & Risk tolerance. This is supplementary Analytics to add value to RA/ RI Framework for Risk Management.

- *All CZ / PEC D / POM's – Marked on charts (in color) below has been Announced on Real time in our Previous Reports prior to Price shifts.*
- *Stops always on other side of CZ @ value based on Portfolio's Objectives & Risk tolerance.*
- *POM / PEC D Conclusions to be cross verified by other methods prior to final decision*
- *For Maximum utilization of POM / PEC –D Process for Risk Management. Refer to the Appendix below for guidelines on maximization of Market Observation*
- *In Some Charts, there may be possibility of 1- 2 days of delayed chart data due to processing and preparation time involved prior to release*

➤ Key Points for Full utilization of SP- Reports

- **Maximum Utilization of various POM's , CZ's & ABC's – for Risk Management & full enhancements on CZ pricing & CZ-PQV Timeliness**
- At Top down Level– Triggers around POM's -Mid term & CZ's - Short term – (CZ's happens in between the POM's) . Critical component for Clean execution is to maintain ongoing updated data base spreadsheet of CZ's Pre announced in SP releases prior to price shifts. These inputs when Computerized Daily Monitoring, Triggers, Timely PQV validations, Price projections Alerts on real time should warn in timely manner to take action. .
- Rebalancing Pre Planned procedure at Triggers – “ Rebalancing % of Overall Position Sizing” , Beta & , Net Exposures sizing depending on each Portfolio's Objective & Risks Tolerances for either Recycling of Capital or Fresh capital.
- Key points for Risk Management
- Hard Stops around CZ's
- STOP SELL- “ early warning Alerts” in fast moving markets, Over night Day / Night (IST) time delay Risks.
- Cross verification by Other Methods
Computerized Daily Monitoring, CZ Triggers, Timely PQV validations
- **2. CZ – Tracking**
- Programing - “Time/ Price Displacement, Supply / demand Activity Bar Analysis” –
 - At “Institutional Grade - Price , Volume with Time Integration
 - Supply / Demand Activity bar Analysis – Real time.
 - Candlestick – Price displacement Algo Programing experience at CZ Validation for Triggers

Currencies – 52 Weeks Chart with Signal turns

\$USD, FXE, FXB, FXA, FXY



POM criteria for Implementation

- POM is rated from 10 to 15
- POM 14 , 15 (is Sell Signal) and 12 , 11 (is Buy Signal) both are the Actionable Area whereas POM 13 is A Neutral Signal for Risk management
- On way UP move, POM 13 signifies to STOP executing additional ‘New Buys’ that was initiated at POM 12 or POM 11 levels
- On way DOWN move, POM 13 signifies to STOP executing additional “ New Short Sells” that was initiated at POM 14 or POM 15 levels
- (Bear Markets) POM 15 is for - Net Short & POM 14 is for - Hedge Longs
- (Bull Markets) POM 15 is for -Hedge Longs & POM 14 is for - Partial Hedge
- POM 12 & 11 is for Net Long
- POM 10 is Climatic Crash low Buy Signal to add to Net long position (Rear event)

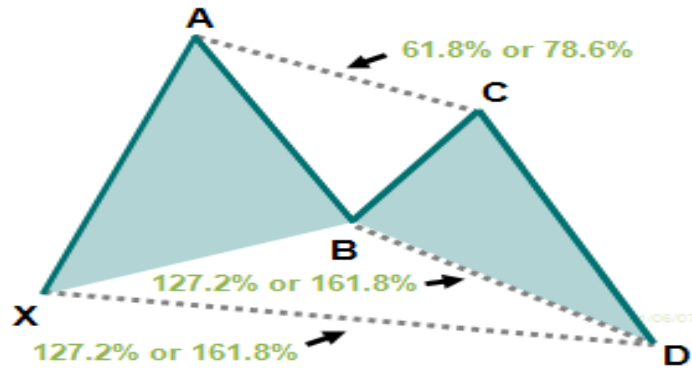
Pythagoras Expansion / Contraction – (PEC) Model

- PEC Model is a 2th Derivative Timing Tool utilized on core currencies which identifies the turning point, for Tops and Bottoms on “Short & Intermediate term” Trend in the currency market.
- Methodology is based on Mathematical Pattern Recognition with Symmetrical Pythagoras Triangular expansion and contraction (PEC) in concert with Price Oscillation (POM) . This has a high probability for greater accuracy on Price projections at confluence when Integrated together.
- Once our POM analysis is complete, it will overlay PEC. The input signals are from tracking rolling Arithmetic Numerical series of Regression utilizing Fibonacci to Identify Triangular patterns of Expansion / Contraction. Triangular pattern completes at the convergence of 2 separate Fibonacci extension levels and overlay Price Oscillation Model.
- Since the Currency has 2 dimensional pairs, PEC is critical to analyze with 2x2 Fibonacci streams to achieve confluence point D coinciding with POM

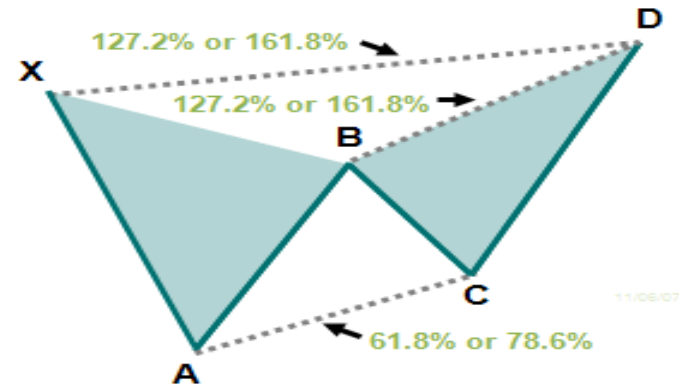
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

The output signal of ABCD price moves preceded by a swing high or low (XA) generates projection point D, which is actionable point derived from 2 connecting triangles with convergence ratio. As with all geometric patterns, a Buy or Sell signal occurs as the pattern completes at point D

Buy Pattern (bullish)



Sell Pattern (bearish)



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